

House Research Act Summary

CHAPTER: 293, as amended by 298

SESSION: 2012 Regular Session

TOPIC: Omnibus capital investment

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Analyst: Deborah A. Dyson

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Overview

This is the omnibus capital investment act, generally effective May 12, 2012. For detail on the appropriations, see the spreadsheet prepared by House Fiscal Analyst, Melissa Johnson. http://www.house.leg.state.mn.us/fiscal/files/bond12_2.pdf

- 1 Capital improvement appropriations.** Summary of the appropriations by agency and fund.
- 2 University of Minnesota.** Total appropriation of \$64.06 million.
 - Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR).** \$50 million.
 - Subd. 3. Twin Cities Campus.** \$10 million to begin renovation of combined heat and power plant.
 - Subd. 4. Itasca biological station.** \$4.06 million to build a new lab and classroom facility, renovate the historic lakeside lab, and remove obsolete buildings.
 - Subd. 5. University share.** The appropriations for the projects in this section, other than for HEAPR, are for two-thirds of the costs and the University is expected to pay the remaining one-third.
 - Subd. 6. Unspent appropriation.** Money remaining after a project is completed must be used for HEAPR. Requires a report to the legislature.
- 3 Minnesota State Colleges and Universities.** Total appropriation of \$132.126 million.
 - Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR).** \$20 million.
 - Subd. 3. Anoka-Ramsey Community College, Coon Rapids.** \$980,000 for design of the bioscience and allied health addition and renovation.

Subd. 4. Bemidji State University. \$3.303 million for a business building addition, renovation design, and demolition.

Subd. 5. Century College. \$5 million to renovate classrooms and related spaces.

Subd. 6. Dakota County Technical College. \$7.23 million to renovate transportation and emerging technologies classrooms, labs, and related spaces.

Subd. 7. Minnesota State University, Mankato. \$2.065 million to design a clinical science building.

Subd. 8. Minneapolis Community and Technical College. \$13.389 million for workforce program space renovation.

Subd. 9. North Hennepin Community College. \$26.292 million for the bioscience and health careers addition.

Subd. 10. Northland Community and Technical College. \$300,000 to design expansion of the aviation maintenance facility.

Subd. 11. Ridgewater College, Willmar. \$13.851 million to renovate the technical instruction lab and demolish the administration building.

Subd. 12. St. Cloud Technical and Community College. \$4 million to renovate space for the medium heavy truck and autobody program and for related demolition.

Subd. 13. St. Paul College. \$1.5 million to design the Health and Science Alliance Center, and to design and renovate existing spaces.

Subd. 14. Minnesota West Community and Technical College, Worthington. \$4.606 million for renovation and an addition.

Subd. 15. Northeast Higher Education District (NHED), Itasca Community College. \$4.549 million for renovation, addition, and demolition.

Subd. 16. Rochester Community and Technical College. \$8.746 million for the workforce center collocation. Requires a lease agreement with DEED that will provide for lease payments to the college to cover costs and debt service for the facility. Permits a 20 year lease.

Subd. 17. South Central College, Faribault. \$13.315 million for classroom renovation and addition.

Subd. 18. Southwest Minnesota State University, Marshall. \$500,000 to design the science lab renovation and an addition.

Subd. 19. Science, technology, engineering, and math initiatives (STEM). \$2.5 million for lab renovations on nine campuses. Permits the campuses to use nonstate money to increase the size of the projects.

Subd. 20. Debt service. Requires MnSCU to pay debt service on one-third of the principal amount of state bonds sold for projects in this section, except for HEAPR.

Subd. 21. Unspent appropriations. Requires MnSCU to use money remaining from an appropriation in this section for a project that is substantially completed for HEAPR on the same campus. Requires notice to the commissioner of management and budget and a report to the legislature.

- 4 **Education.** \$1 million for the library accessibility and improvement grant program.
- 5 **Minnesota State Academies.** \$1 million for asset preservation on both campuses.
- 6 **Perpich Center for Arts Education.** \$263,000 for loading dock repair, road repair, and installation of storm drainage.
- 7 **Natural Resources.** Total appropriation of \$46.5 million.
- Subd. 2. Flood hazard mitigation grants.** \$30 million.
- Subd. 3. Dam repair, reconstruction, and removal.** \$3 million.
- Subd. 4. Roads and bridges.** \$2 million.
- Subd. 5. State forest land restoration.** \$2.5 million.
- Subd. 6. State parks and trails renewal and development.** \$4 million. For state parks, trails, recreation areas, small craft harbors and marinas, fishing piers sites, and state forests.
- Subd. 7. Lake Vermilion State Park.** \$2 million for development of the park.
- Subd. 8. Lake Zumbro.** \$3 million for a grant to Olmsted County for dredging and disposal of dredged soil. Requires a nonstate match.
- Subd. 9. Unspent appropriations.** Allows up to 10 percent of an appropriation that is unspent for a project that is complete to be used for asset preservation.
- 8 **Pollution Control Agency.** \$2 million for the closed landfill cleanup program.
- 9 **Board of Water and Soil Resources.** \$12 million total, with \$6 million for RIM conservation reserve and \$6 million for the wetland replacement due to public road projects.
- 10 **Agriculture.** \$706,000 for an emergency power system for the Agriculture and Health Lab Building.
- 11 **Rural Finance Authority.** \$33 million for user-financed loans to farmers.
- 12 **Minnesota Zoological Garden.** \$4 million for asset preservation.
- 13 **Administration.** Total appropriation of \$50.555 million.
- Subd. 2. Asset preservation.** \$500,000.
- Subd. 3. Capitol restoration appropriation.** \$44 million for the tunnel under University Avenue from the Capitol building, predesign and design of the overall renovation project, exterior stone repair, window replacement and preparation of mechanical space in the attic, and additional elements of the project. Work on interior spaces that will involve moving tenants to temporary spaces cannot begin until the review required in section 27 is done.
- Subd. 4. Capital asset preservation and replacement account (CAPRA).** \$1 million.
- Subd. 5. Hennepin County, Washburn Center for Children.** \$5 million for a grant to Hennepin County for the center, which will provide mental health services. Requires at least an equal amount in nonstate resources.
- Subd. 6. Peace Officers memorial.** \$55,000 to renovate the memorial on the Capitol grounds.

- 14 Amateur Sports.** \$375,000 for HVAC replacement in the Indoor Sports Hall at the center in Blaine.
- 15 Military Affairs.** Total appropriation of \$23.5 million.
- Subd. 2. Asset preservation.** \$4 million.
 - Subd. 3. Camp Ripley education center addition.** \$19.5 million.
 - Subd. 4. Unspent appropriations.** Permits unspent amounts for completed projects to be used for asset preservation. Requires notice to MMB.
- 16 Transportation.** Total appropriation of \$49.4 million.
- Subd. 2. Local bridge replacement and rehabilitation.** \$30 million.
 - Subd. 3. Local road improvement fund grants.** \$10 million.
 - Subd. 4. Greater Minnesota transit.** \$6.4 million.
 - Subd. 5. Railroad warning devices replacement.** \$2 million.
 - Subd. 6. Port development assistance.** \$1 million.
- 17 Metropolitan Council.** Total appropriation of \$12.386 million.
- Subd. 2. Metropolitan regional parks capital improvements.** \$4.586 million.
 - Subd. 3. Inflow and infiltration grants.** \$4 million.
 - Subd. 4. Phillips Community Center.** \$1.75 million for a grant to the Minneapolis Park and Recreation Board to renovate the indoor competitive swimming pool and addition of a multipurpose family pool and facilities. Requires a nonstate match of at least \$350,000.
 - Subd. 5. Minneapolis transportation interchange.** \$2.5 million for a grant to Hennepin County or the Hennepin County Regional Railroad Authority for the interchange of the Hiawatha LRT line and the Northstar commuter rail line.
- 18 Human Services.** Total appropriation of \$7.683 million.
- Subd. 2. Asset preservation.** \$2 million.
 - Subd. 3. Maplewood - Harriet Tubman Center.** \$2 million for a grant to the city of Maplewood to renovate the center.
 - Subd. 4. Minnesota security hospital, St. Peter.** \$3.683 million for predesign and design of phase I.
- 19 Veterans Affairs.** Total appropriation of \$7.416 million.
- Subd. 2. Asset preservation.** \$3 million.
 - Subd. 3. Minneapolis Veterans Home building 17 south.** \$3.05 million for predesign and design of the demolition work in the south wing of building 17, and to design the south wing for the new skilled nursing building.
 - Subd. 4. Minneapolis Veterans Home centralized pharmacy.** \$1.366 million to remodel building 13 as the central pharmacy for all veterans homes.

- 20** **Corrections.** Total appropriation of \$9.128 million.
- Subd. 2. Asset preservation.** \$5 million.
- Subd. 3. MCF - Stillwater; well and water treatment facility.** \$3.391 million.
- Subd. 4. Northeast regional correctional center (NERCC).** \$737,000 for a grant to the Arrowhead Regional Corrections Joint Powers Board for asset preservation of the correctional center.
- Subd. 5. Unspent appropriation.** Permits unspent amounts for a completed project to be used for asset preservation at the same correctional facility. Requires notice to MMB.
- 21** **Employment and Economic Development.** Total appropriation is \$76.5 million.
- Subd. 2. Greater Minnesota Business Development Public Infrastructure grant program.** \$6 million. Permits a grant of an unspecified amount to the Lake Superior-Poplar River Water District, contingent on at least \$1.2 million in match. Allows expenditures made on or after October 1, 2011, to count towards the match. The district is authorized in section 52.
- Subd. 3. Redevelopment account.** \$3 million.
- Subd. 4. Transportation Economic Development program.** \$3 million for the program established in section 34.
- Subd. 5. Business Development Through Capital Project grants.** \$47.5 million for the program established under section 33.
- Subd. 6. Austin Port Authority - Hormel Institute.** \$13.5 million for a grant to the Austin Port Authority for a new building for the Hormel Institute. Requires at least an equal amount from nonstate sources.
- Subd. 7. Bemidji Regional Public TV.** \$3 million for a grant to the city of Bemidji for a TV station, contingent on a nonstate match of at least 25 percent.
- Subd. 8. South St. Paul floodwall extension.** \$500,000 for a grant to the city of South St. Paul to extend the floodwall on the west shore of the Mississippi River from I-494 to the southern border of the city. Requires a nonstate match.
- 22** **Public Facilities Authority.** Total appropriation of \$23.5 million.
- Subd. 2. State match for federal clean water revolving fund.** \$8.5 million.
- Subd. 3. Wastewater infrastructure funding.** \$15 million. Caps any grant to the Central Iron Range Sanitary Sewer District at \$5 million and exempts it from limits of the statute.
- 23** **Housing Finance Agency.** \$5.5 million for rehabilitation of public housing.
- 24** **Minnesota Historical Society.** Total appropriation of \$3.25 million.
- Subd. 2. Historic sites asset preservation.** \$2.5 million.
- Subd. 3. County and local preservation grants.** \$750,000.
- 25** **Bond sale expenses.**
- 26** **Bond sale authorization.**

- 27 Capitol restoration project.** Establishes procedures for consultation, review, and approval of any changes in use of space by the current tenants in the Capitol related to the renovation project.
- 28 Report on jobs created or retained.** Requires the commissioner of management and budget to report by September 1 of each odd-numbered year on jobs created or retained as a result of capital investment project funding by the state.
- 29 Credit of proceeds.** In 2011, the legislature amended the statute to permit premiums received on the sale of bonds after December 1, 2012, to be credited to either the bond proceeds fund to reduce the par amount of bonds issued or to the state bond fund to be used in debt repayment. Prior to that, any premium received could only be credited to the state bond fund. This change clarifies the law by defining "proceeds of bonds," allows use of a premium to reduce the par amount of a bond issue at the time of sale, and clarifies the handling of the proceeds of refunding bonds.
- 30 Special accounts; appropriation.** Conforming amendment to the section above.
- 31 Validation.** Provides a validation procedure for the pay-for-performance appropriation bonds authorized in the 2011 session. The validation procedure is the same as for the tobacco settlement appropriation bonds, which has now been started. If there is a decision in the tobacco settlement appropriation bond validation proceedings that can apply to the pay-for-performance bonds, then the validation proceeding under this section will not be needed.
- 32 Solar energy systems.** Permits state bond financed state building projects to use "Made in Minnesota" solar energy systems. Limits the cost of the system to not more than 5 percent of the appropriation of bond proceeds for the project. Amended in the end-of-session corrections bill, Laws 2012, chapter 298, section 6.
- 33 Business Development Through Capital Projects Grant Program.** Establishes a program in DEED to provide competitive matching grants to local governments for capital projects. Sunsets June 30, 2016.
- 34 Transportation Economic Development Infrastructure Program.** Establishes the program, which is funded in the bill. For predesign, design, land acquisition, construction, reconstruction, and infrastructure improvements that will promote economic development, increase employment, and improve transportation systems to accommodate private investment and job creation. Not for trunk highways.
- 35 Housing infrastructure bonds account.** Allows the MHFA to establish a housing infrastructure bond account as a separate account in the housing development fund.
- 36 Housing infrastructure bonds; authorization; standing appropriation.** Similar to the nonprofit housing bonds authorized in 2008, this authorizes the MHFA to issue \$30 million in debt for supportive housing, acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing, acquisition of foreclosed or abandoned property attributable to land to be leased by community land trusts, and acquisition and rehabilitation of federally assisted rental housing. The bonds are not GO and not backed by state's full faith and credit. Provides a standing general fund appropriation of up to \$2.2 million per year to pay debt service, beginning in fiscal year 2013.
- Note: Laws 2012, chapter 292, article 5, provides that housing infrastructure bond proceeds may be used for loans for supportive housing for girls and women to provide them protection from and the means to escape exploitation and trafficking.
- 37 Trail connections.** Amends the 2006 project description for the Mesabi Trail and exempts it from match.

- 38 Cedar Avenue Bus Rapid Transit.** Provides that the 2006 appropriation for the project may be for the Metropolitan Council or for the council to grant to Dakota County, the Dakota County Regional Railroad Authority, or the Minnesota Valley Transit Authority. Effective retroactively from the effective date of the 2006 bonding act.
- 39 State Trail Acquisition, Rehabilitation, and Development.** Extends availability of the 2008 appropriations for the Chester Woods Trail (to June 30, 2016), the Mill Towns trail (to December 30, 2014), the Minnesota River Trail (December 30, 2014), and for a connection between the Stagecoach Trail and the Douglas Trail (to June 30, 2014).
- 40 Cedar Avenue Bus Rapid Transit.** Provides that the 2008 appropriation for the project may be for a grant to Dakota County, the Dakota County Regional Railroad Authority, or the Minnesota Valley Transit Authority. Also expands the uses of the money. Effective retroactively from the effective date of the 2008 bonding act.
- 41 DHS, systemwide campus redevelopment, reuse, or demolition.** Permits unspent money from the 2008 act to be used for a new maintenance and storage facility on the Brainerd campus and extends availability of the money until December 30, 2014.
- 42 Minneapolis Veterans Home Campus, building 17 HVAC replacement.** Permits unspent funds from the 2008 appropriation to be used for purposes described in the 2010 and 2011 capital investment laws.
- 43 St. Cloud State University - National Hockey Center; HEAPR.** Expands the authorized use of state bond appropriation made in the 2008 bonding bill for the National Hockey Center at St. Cloud State University (SCSU) to include Higher Education Asset Preservation and Repair (HEAPR) on the St. Cloud campus or systemwide. Extends availability of the money to June 30, 2016. Of the original \$6.5 million, which was appropriated to DEED for the project, approximately \$4.8 million is remaining for the Hockey Center or HEAPR projects.
- 44 Transit Capital Improvement Program.** Provides that the 2009 appropriation for the project may be for a grant to Dakota County, the Dakota County Regional Railroad Authority, or the Minnesota Valley Transit Authority. Also expands the uses of the money. Effective retroactively from the effective date of the 2009 bonding act.
- 45 Minnesota Sex Offender Program Treatment Facilities - Moose Lake.** Permits unused funds from the 2010 appropriation to be used for asset preservation at Moose Lake.
- 46 County and Local Preservation Grants.** Strikes the 2010 set-aside for a grant to South Saint Paul for the 1941 Navy Hangar.
- 47 Normandale Community College.** Strikes the student services building portion of the purpose for the 2011 appropriation.
- 48 NHED Mesabi Range Community and Technical College, Virginia.** Strikes authority to acquire a privately owned housing facility on the campus from the 2011 appropriation.
- 49 Transit Capital Improvement Program.** Adds Minnesota Valley Transit Authority to the list of transit providers eligible to receive a grant from the 2011 appropriation for work related to the transitway projects listed.
- 50 Public Facilities Authority, WIF.** Exempts the 2011 Albert Lea project from the WIF program requirements.
- 51 Bond sale schedule.** Amends the 2011 provision that set the limit on the amount that may be transferred from the general fund to the state bond fund to pay debt service during the biennium to

take into account bond sales authorized in 2012. Provides that part of the debt service is from the tobacco settlement bond proceeds fund and the rest from the general fund. This provides savings to the general fund because general fund debt service is reduced by the amount of the tobacco bond proceeds (the \$635.744 million).

- 52 Lake Superior-Poplar River Water District.** Creates the district as a municipal corporation with the powers in Minnesota Statutes, chapters 110A (providing for rural water districts), 429 (special assessments), and 444 (water works, storm and sanitary sewer systems). Provides that the district cannot issue general obligation bonds. Provides that the sections of chapter 110A relating to establishing the district by petition and identifying the area to be included in the district (110A.04, 110A.09 to 110A.18) and election of directors (110A.07) do not apply to this district. Provides for user financing of the system, apart from any initial capital investment funded by the state. Provides that no one is obligated or entitled to receive water from the district unless a party to a contract to purchase water. Provides for a board of directors of between three and 13 members with the initial board appointed by the Cook County board of commissioners. Provides for staggered terms and the organizing meeting. Provides for an elected board under general law after that. Terminates DNR permits for water appropriation from the Poplar River once the district is operational and fully permitted. Effective upon local approval.
- 53 Acquisition for Canisteo Project.** Directs DNR to acquire land or interests in land needed to construct the conveyance system and other betterments to accommodate the Canisteo mine pit outflow. Permits DNR to use eminent domain for this.
- 54 Repealer.** (a) Repeals the MnDOT rule limiting the state's share of port development assistance program project costs to no more than 50 percent of the nonfederal share of the eligible costs.
- (b) Repeals the 2011 law for appropriation of water from the Poplar River once DNR terminates the permits. Requires DNR to notify the Revisor of Statutes in writing.
- 55 Effective Date.** Except as otherwise provided, effective May 12, 2012.